

UNITED STATES DEPARTMENT OF STATE
BUREAU OF POLITICAL-MILITARY AFFAIRS
WASHINGTON, D.C. 20520

In the Matter of:

EDDIE CHEN

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Case No. RR-98-097

CONSENT AGREEMENT

This Agreement is made by and between Eddie Chen and the United States Department of State (the "Department"), pursuant to § 128.11(b) of the International Traffic in Arms Regulations (22 C.F.R. Parts 120-130) (the "ITAR").

WHEREAS, the Office of Defense Trade Controls, Bureau of Political-Military Affairs, United States Department of State, has notified Eddie Chen of its intention of initiate administrative proceedings against him pursuant to § 38(e) of the Arms Export Control Act (the "AECA"), 22 U.S.C. § 2778, and Part 128 of the ITAR, based on allegations set forth in the attached proposed Charging Letter, incorporated herein by this reference, that he violated § 38 of the AECA and § 127.1 of the ITAR by attempting to, conspiring to, and aiding and abetting others in an attempt to export without Department approval certain defense articles covered by the United States Munitions List, 22 C.F.R. 121.1.

WHEREAS, Eddie Chen has reviewed the proposed Charging Letter and fully understands it, and enters into this

Consent Agreement voluntarily and with full knowledge of his rights.

WHEREAS, Eddie Chen wishes to settle and dispose of all matters identified in the proposed Charging Letter by entering into this Consent Agreement; and

WHEREAS, the Department and Eddie Chen agree to be bound by this Agreement and a related Administrative Order (draft attached) to be entered by the Assistant Secretary of State for Political Military Affairs.

Now, WHEREFORE, Eddie Chen and the Department agree as follows:

PARTIES

1. The Parties to this Agreement are the Department and Eddie Chen.
2. The Department has jurisdiction over Eddie Chen under the AECA and the ITAR in connection with the matters identified in the proposed Charging Letter.

PENALTY

3. Eddie Chen agrees to pay the Department a civil penalty of one hundred and sixty thousand dollars (\$160,000) in settlement of the violations alleged in the proposed Charging Letter. Payment such civil penalty will be suspended for a period of five (5) years from the date of the Order, when entered. After which period, and provided that during such suspension Eddie Chen has not committed any other violation of the AECA or the ITAR, or violated the terms and conditions of this Agreement, the Department will waive such civil penalty.

DEBARMENT

4. The Department will impose an administrative debarment against Eddie Chen, in accordance with § 127.7(b)(2) of the ITAR, commencing on the date of signature of the Order.

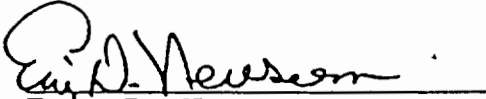
MISCELLANEOUS

5. Eddie Chen agrees that, upon entry into force of the Order, he waives all rights to further procedural steps in this matter including an administrative hearing pursuant to Part 128 of the ITAR and to any judicial review or collateral attack of this matter.
6. The Department agrees that this Consent Agreement resolves any civil penalties with respect to the information pertaining to any violations of the AECA or the ITAR arising out of the transactions identified in the proposed Charging Letter.
7. Eddie Chen understands that the Department will make the proposed Charging Letter, this Consent Agreement, and the Order, when entered, available to the public.
8. The Department and Eddie Chen agree that this Consent Agreement is for settlement purposes only. Therefore, if this Consent Agreement is not approved, and the order is not entered by the Assistant Secretary of State for Political Military Affairs, the Department and Eddie Chen agree that they may not use or make reference to this Consent

Agreement in any administrative or judicial proceeding and that neither party shall be bound by the settlement terms contained herein in any subsequent administrative or judicial proceeding.

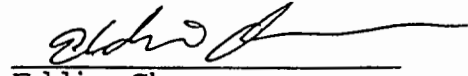
9. No agreement, understanding, representation or interpretation not contained in this Consent Agreement may be used to vary or otherwise affect the terms of this Consent Agreement or the Order, when entered, nor shall this Consent Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department of the United States Government with respect to the facts and circumstances addressed herein.
10. This Consent Agreement shall become binding on the Department only when the Assistant Secretary of State for Political-Military Affairs approves it by entering the Order which will have the same force and effect as a decision and Order after a full administrative hearing on the record.

U.S. DEPARTMENT OF STATE



Eric D. Newsom
Assistant Secretary of State
For Political Military Affairs

THE RESPONDENT



Eddie Chen

Entered this 3 day of June, 1999